

Fill in this information to identify the case:Debtor Name Fieldwood Energy LLC, et al.United States Bankruptcy Court for the: Southern District of Texas
(State)Case number: 20-33948 (MI)

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of June 7, 2021 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

Fieldwood Energy LLC, et al. (collectively, the "Debtors"), hold a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
See Exhibit "Controlled Non-Debtor Entities" on page 5		

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name: Fieldwood Energy LLC, et al.

Case number: 20-33948 (MI)

Debtor Name _____

Case number _____

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X Is/ William Swingle
Signature of Authorized Individual
William Swingle
Printed name of Authorized Individual
Date 6/7/2021
MM / DD / YYYY

For individual Debtors:

X _____
Signature of Debtor 1

Printed name of Debtor 1
Date _____
MM / DD / YYYY

X _____
Signature of Debtor 2

Printed name of Debtor 2
Date _____
MM / DD / YYYY

General Notes

This periodic report (the “**Periodic Report**”) has been prepared solely for the purpose of complying with Rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). This Periodic Report contains certain financial information for certain non-debtor entities that are non-publicly traded corporations and in which an estate of a Debtor (as defined below) controls or owns at least a twenty percent (20%) interest (each a “**Controlled Non-Debtor Entity**” and collectively, the “**Controlled Non-Debtor Entities**”). The information included in this Periodic Report has been provided by the Debtors’ management.

Description of these Chapter 11 Cases

Commencing August 3, 2020 (the “**Petition Date**”), Fieldwood Energy LLC and its affiliated debtors (each a “**Debtor**” and collectively, the “**Debtors**”)¹ each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas. On August 18, 2020, the United States Trustee for Region 7 appointed a committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code [Docket No. 183]. No trustee or examiner has been appointed in these chapter 11 cases. Additional information about these chapter 11 cases, court filings, and claims information is available at the Debtors’ restructuring website:

<https://cases.primeclerk.com/FieldwoodEnergy>.

Financial Statements

The Debtors are providing balance sheets and income statements for FW Finco LLC, Fieldwood Cooperatief U.A. and SP 49 Pipeline LLC. GOM P&A Services LLC is an inactive entity and has no assets, liabilities, or operations, and, consequently, has no information to report; it has therefore been excluded from the financial statements for the Controlled Non-Debtor Entities. Certain of the Controlled Non-Debtor Entities do not prepare cash flow statements and statements of shareholders’ equity. Cashflow statements and statements of shareholders’ equity are provided only for those entities where these statements are routinely prepared and available.

The Debtors own a greater than 20% interest in White Shoal Pipeline Co. (“**White Shoal**”). The Debtors do not keep White Shoal’s books and records and do not operate White Shoal’s business. As a result, on November 6, 2020, the Debtors filed the *Motion of Debtors for Entry of Order (I) Extending Time to File Rule 2015.3 Reports; and (II) Finding That the Debtors Do Not Have a Substantial or Controlling Interest in a Certain Entity or Waiving Certain Reporting Requirements*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Dynamic Offshore Resources NS, LLC (0158); Fieldwood Energy LLC (6778); Fieldwood Energy Inc. (4991); Fieldwood Energy Offshore LLC (4494); Fieldwood Onshore LLC (3489); Fieldwood SD Offshore LLC (8786); Fieldwood Offshore LLC (2930); FW GOM Pipeline, Inc. (8440); GOM Shelf LLC (8107); Bandon Oil and Gas GP, LLC (9172); Bandon Oil and Gas, LP (9266); Fieldwood Energy SP LLC (1971); Galveston Bay Pipeline LLC (5703); and Galveston Bay Processing LLC (0422). The Debtors’ primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

for Cause [Docket No. 535] seeking a determination that the Debtors do not own a substantial or controlling interest in White Shoal. On December 7, 2020, the Court entered the *Order (I) Extending Time to File Rule 2015.3 Reports; and (II) Finding That the Debtors Do Not Have a Substantial or Controlling Interest in a Certain Entity or Waiving Certain Reporting Requirements for Cause* [Docket No. 638] finding that the Debtors do not have a substantial or controlling interest in White Shoal and the reporting requirements do not apply to the Debtors' interest in White Shoal. Accordingly, this Financial Report does not contain any financial disclosures with respect to White Shoal.

The financial statements presented in this Periodic Report are derived from the books and records of the respective Controlled Non-Debtor Entities as maintained by the Debtors. The presentation in this Periodic Report does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The financial statements and supplemental information contained herein represent condensed information, are limited in scope, and cover a limited time period.

Although management made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update this Periodic Report. Nothing contained in this Periodic Report shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein. The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

The results of operations contained herein are not necessarily indicative of results that are expected from any other period and may not necessarily reflect the results of operations or financial position of any Controlled Non-Debtor Entity in the future. Further, this Periodic Report is limited in scope, covers a limited time period, and has been prepared solely for purposes of fulfilling the requirements of Bankruptcy Rule 2015.3.

Intercompany Transactions

Receivables and payables between the Controlled Non-Debtor Entities and Debtors and/or among the various Controlled Non-Debtor Entities have not been eliminated. No conclusion as to the legal obligation related to these intercompany transactions is made by this Periodic Report.

Current Values

The Debtors do not maintain fair market value or other bases of valuation for the Controlled Non-Debtor Entities, which may differ substantially from the net book value of these entities.

Reservation of Rights

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admission with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including, without limitation, with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

Currency

The amounts herein are presented in United States dollars, unless otherwise stated.

Exhibit: Controlled Non-Debtor Entities

The Debtors directly or indirectly hold a substantial or controlling equity interest in the following entities:

Controlled Non-Debtor Entity	Interest of the Estate	F/N
<u>Debtor - Fieldwood Energy LLC</u>		
FW Finco LLC	100%	1
GOM P&A Services LLC	100%	
Fieldwood Cooperatief U.A.	99%	
<u>Debtor - FW GOM Pipeline, Inc.</u>		
SP 49 Pipeline LLC	33%	

Footnotes:

(1) This entity was created to support a potential business unit that was never insitituted. Consequently, the entity has no available financial statements, as there is no current or historic financial activity associated with this entity.

Exhibit A-1: Balance Sheet for FW FINCO LLC

	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable	\$ -	\$ -
Total assets	\$ -	\$ -
LIABILITIES & OWNER'S EQUITY		
Total liabilities	\$ -	\$ -
Owner's equity		
Contributions	\$ -	\$ 242,885,000
Distributions	\$ -	\$ (242,499,000)
Accumulated deficit	\$ -	\$ (386,000)
Total owner's equity	\$ -	\$ -
Total liabilities and owner's equity	\$ -	\$ -

Exhibit A-1: Balance Sheet for Fieldwood Cooperatief U.A.

	September 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 228	\$ 376
Total current assets	\$ 228	\$ 376
Fixed assets		
Investment in Fieldwood Mexico B.V.	\$ 29,735,682	\$ 14,357,299
Total assets	\$ 29,735,910	\$ 14,357,675
EQUITY AND LIABILITIES		
Current liabilities		
Debts to credit institutions	\$ 111	\$ 111
Debts to group companies	\$ 215,647	\$ 212,147
Other liabilities and accrued expenses	\$ 60,720	\$ 840
Total current liabilities	\$ 276,478	\$ 213,098
Members' equity		
Member's capital Fieldwood Energy LLC	\$ 29,738,681	\$ 14,360,298
Member's capital Fieldwood Offshore LLC	\$ 1	\$ 1
Other reserves	\$ (279,250)	\$ (215,722)
Total members' equity	\$ 29,459,432	\$ 14,144,577
Total liabilities and members' equity	\$ 29,735,910	\$ 14,357,675

Footnotes:

December 31, 2020 and March 31, 2021 financials for Fieldwood Cooperatief U.A. are not yet available

Exhibit A-1: Balance Sheet for SP 49 Pipeline LLC

	December 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 679,422	\$ 262,890
Accounts receivable	\$ 248,740	\$ 319,732
Receivable from FW GOM Pipeline, Inc.	\$ 154,990	\$ 404,552
	<u>\$ 1,083,152</u>	<u>\$ 987,174</u>
PROPERTIES:		
Pipeline	\$ 3,019,899	\$ 3,019,899
Other property	\$ 138,388	\$ 138,388
Less- accumulated depreciation	\$ (2,776,731)	\$ (2,519,568)
	<u>\$ 381,556</u>	<u>\$ 638,719</u>
	<u>\$ 1,464,708</u>	<u>\$ 1,625,893</u>
LIABILITIES AND MEMBERS' CAPITAL		
CURRENT LIABILITIES:		
Accrued Expense	\$ 2,380,980	\$ 73,033
	<u>\$ 2,380,980</u>	<u>\$ 73,033</u>
MEMBERS' CAPITAL		
FW GOM Pipeline, Inc.	\$ (337,961)	\$ 135,147
Cox Operating, L.L.C.	\$ (119,298)	\$ 852,873
Talos Energy Inc.	\$ (459,013)	\$ 564,840
	<u>\$ (916,272)</u>	<u>\$ 1,552,860</u>
	<u>\$ 1,464,708</u>	<u>\$ 1,625,893</u>

Footnotes:

March 31, 2021 financials for SP 49 Pipeline LLC are not yet available

Exhibit A-2: Statement of Income (Loss) for FW FINCO LLC

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Transaction fees	\$ -	\$ 228,000
Net loss	\$ -	\$ 228,000

Exhibit A-2: Statement of Income (Loss) for Fieldwood Cooperatief U.A.

	Nine Months Ended September 30, 2020	Year Ended December 31, 2019
Operating expenses		
General expenses	\$ 59,880	\$ 79,840
Other operating expenses	\$ 3,336	\$ (2,797)
Total operating expenses	<u>\$ 63,216</u>	<u>\$ 77,043</u>
Operating result	\$ (63,216)	\$ (77,043)
Financial income and expenses	\$ (312)	\$ 4,858
Net result	<u><u>\$ (63,528)</u></u>	<u><u>\$ (72,185)</u></u>

Footnotes:

December 31, 2020 and March 31, 2021 financials for Fieldwood Cooperatief U.A. are not yet available

Exhibit A-2: Statement of Income (Loss) for SP 49 Pipeline LLC

	Year Ended December 31, 2020	Year Ended December 31, 2019
REVENUES		
Transportation fees	\$ 2,500,563	\$ 3,264,796
Total Revenues	<u>\$ 2,500,563</u>	<u>\$ 3,264,796</u>
OPERATING EXPENSE		
Depreciation expense	\$ 257,162	\$ 250,452
Operating expense	\$ 2,352,941	\$ 894,859
Total Operating Expenses	<u>\$ 2,610,103</u>	<u>\$ 1,145,311</u>
NET INCOME	<u>\$ (109,540)</u>	<u>\$ 2,119,485</u>

Footnotes:

March 31, 2021 financials for SP 49 Pipeline LLC are not yet available

Exhibit A-3: Statement of Cash Flows for FW FINCO LLC

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Cash flows from operating activities:		
Net loss	\$ -	\$ (228,000)
Cash used in operating activities	\$ -	\$ (228,000)
Cash flows from investing activities	\$ -	\$ -
Cash flows from financing activities		
Contributions	\$ -	\$ 166,509,000
Distributions	\$ -	\$ (166,281,000)
Net cash provided by financing activities	\$ -	\$ 228,000
Cash and cash equivalents, beginning of period	\$ -	\$ -
Cash and cash equivalents, end of period	\$ -	\$ -

Exhibit A-3: Statement of Cash Flows for SP 49 Pipeline LLC

Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ (109,540)	\$ 2,119,485
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	\$ 257,162	\$ 250,452
Changes in operating assets and liabilities		
Decrease in accounts receivable	\$ 70,992	\$ 498,474
Increase in payable with FW GOM Pipeline, Inc.	\$ 249,562	\$ (659,789)
Decrease in accrued expense	\$ 2,307,948	\$ 25,449
Net cash provided by operating activities	<u>\$ 2,776,124</u>	<u>\$ 2,234,071</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to FW GOM Pipeline, Inc.	\$ (39,995)	\$ (232,951)
Distributions to Cox Operating, L.L.C.	\$ (1,280,479)	\$ (1,170,700)
Distributions to Talos Energy Inc.	\$ (1,039,118)	\$ (554,068)
Net cash used by financing activities	<u>\$ (2,359,592)</u>	<u>\$ (1,957,719)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 416,532	\$ 137,964
CASH AND CASH EQUIVALENTS, PERIOD BEGINNING	<u>\$ 262,890</u>	<u>\$ 124,926</u>
CASH AND CASH EQUIVALENTS, PERIOD END	<u><u>\$ 679,422</u></u>	<u><u>\$ 262,890</u></u>

Footnotes:

March 31, 2021 financials for SP 49 Pipeline LLC are not yet available

Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for SP 49 Pipeline LLC

	FW GOM Pipeline, Inc.		Cox Operating, L.L.C.		Talos Energy Inc.		Total
Balance, December 31, 2019	\$	135,147	\$	852,873	\$	564,840	\$ 1,552,860
Distributions	\$	(39,995)	\$	(1,280,479)	\$	(1,039,118)	\$ (2,359,592)
Net Income	\$	(433,113)	\$	308,308	\$	15,265	\$ (109,540)
Balance, December 31, 2020	\$	(337,961)	\$	(119,298)	\$	(459,013)	\$ (916,272)

Exhibit B: Description of Operations for Controlled Non-Debtor Entities

Name of Controlled Non-Debtor Entity	Description of Operations
FW Finco LLC	Holds a financial account that facilitated a revenue receivables purchasing agreement with Deutsche Bank that has since been terminated.
GOM P&A Services LLC	Entity was created for a potential business offering that never went to market; the entity has no current or historic financial activity.
Fieldwood Cooperatief U.A.	Holds an interest in FW Mexico B.V. of approximately 10%.
SP 49 Pipeline LLC	Maintains and operates the SP 49 Pipeline for use by partners of SP 49 Pipeline.

Exhibit C: Description of Intercompany Claims

Currently, there are no known claims by an individual Controlled Non-Debtor Entity against any other Controlled Non-Debtor Entity.

Exhibit D: Allocation of Tax Liabilities and Assets

Currently, there are no known tax sharing or allocation agreements between an individual Controlled Non-Debtor Entity and another Controlled Non-Debtor Entity.

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

Currently, there are no known payments made, or obligations incurred (or claims purchased) by any Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against the Debtors.

See below for additional notes regarding the nature of certain Controlled Non-Debtor Entity relationship with the Debtors:

SP 49 Pipeline LLC

SP 49 Pipeline LLC (the "Entity"), a limited liability company, was formed on November 2, 2010 by Apache GOM Pipeline, Inc, (succeeded by FW GOM Pipeline, Inc), Energy XXI GOM LLC, and Stone Energy Offshore, LLC (succeeded by Talos Resources LLC), (collectively, the "Members"). Each Member holds a 33.33% interest in the Entity. The Members appointed FW GOM Pipeline, Inc. ("FW GOM") as the managing member and operator.

The Entity owns sections of the SP 49 Pipeline System and the Southwest Pass 24 Pipeline System purchased from Chevron Pipeline Company in 2010. Pursuant to the terms of the operating agreement among the Members, FW GOM is required to manage, control, and operate the Entity's business affairs, including the SP 49 Pipeline Account (as defined in the Cash Management Motion [Docket No. 6]), which is owned by the Entity. Consequently, FW GOM may be subject to claims filed by the Members as they have performed and continue to perform contractually required obligations to manage, control, and operate the business activities of the Entity.